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Brand value and relationship performance in business markets: A cross cultural glance of business services

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This study aimed to explore the casual relationship and structural equation modeling between the supplier competence with purchasing value, buyer satisfaction, switching cost, brand trust, brand loyalty, relationship quality, relationship commitment and transaction performance in the buyers of Arge Talaei International Company's Product (Seed Production). The statistical sample of this study consists of buyer company's staff of Arge Talaei brand from 7 countries (Asia and Europe), Greece, Turkey, Kazakh, Kyrgyzstan, Iran, Iraq, Emirates; from whom 247 samples were randomly selected. In order to collect the data, nine types of questionnaires at the form of 55 items were employed: 1- supplier competence, 2- purchasing value, 3-buyer satisfaction, 4- switching cost, 5- brand trust, 6- brand loyalty, 7- relationship quality, 8- relationship commitment, 9- transaction performance. The analysis found that supplier competence directly affects purchasing value and customer satisfaction, and via purchasing value and customer satisfaction, it indirectly affects relationship commitment, brand trust and loyalty. The general model is applied to organizational buyer groups of a comprehensive business market, in terms of helping the companies, organization and future brand managers. Overall, this paper demonstrates that brand value is strategically meaningful even in the relationship-based business markets.

Key words: Relationship performance, brand value, brand trust, brand loyalty, supplier competence.

INTRODUCTION

While brands and their management have dominated the marketing of goods and services to consumers, industrial brands have been slow to take hold in business-to-business marketing area. Brands are very important in the performance transaction, and transaction is one of the more attractive discussions of the global business. It achieves high attentions in marketing literature (Han and Sung, 2008). Creating a strong brand in the market is one of the companies' main goals because it can provide benefits for them, including less vulnerability to competitive marketing actions, larger margins, and greater brand extension opportunities (Delgado-Ballester and Munuera-Aleman, 2005; van Riel et al., 2005). A brand is a distinguishing name and/or symbol (such as logo, trademark, or package design) intended to identify

the goods or services of their one seller or a group of sellers, and to differentiate those goods or services from those of competitors. Brands provide the basis upon which consumers can identify and bond with a product or service or a group of products or services (Ghodeswar, 2008). Both researchers and practitioners suggest brand personality is an important concept that helps differentiate a brand in a product category, enhances consumer's preference and loyalty to a brand, and creates brand equity (Florence et al., 2009). It must be mentioned that, brand value is regarded as an important concept in business practice as well as in academic research because marketers can gain competitive advantages through strong brands (Chunling et al., 2008). Although, the classic definition of brand equity is proposed from the added value of the brand endowed by its name, recent branding literature has expanded its definition to include a broad set of attributes that drive customer choice (Chen, 2009). Brand loyalty and trust are the main brand-value-generating variables. But, it is

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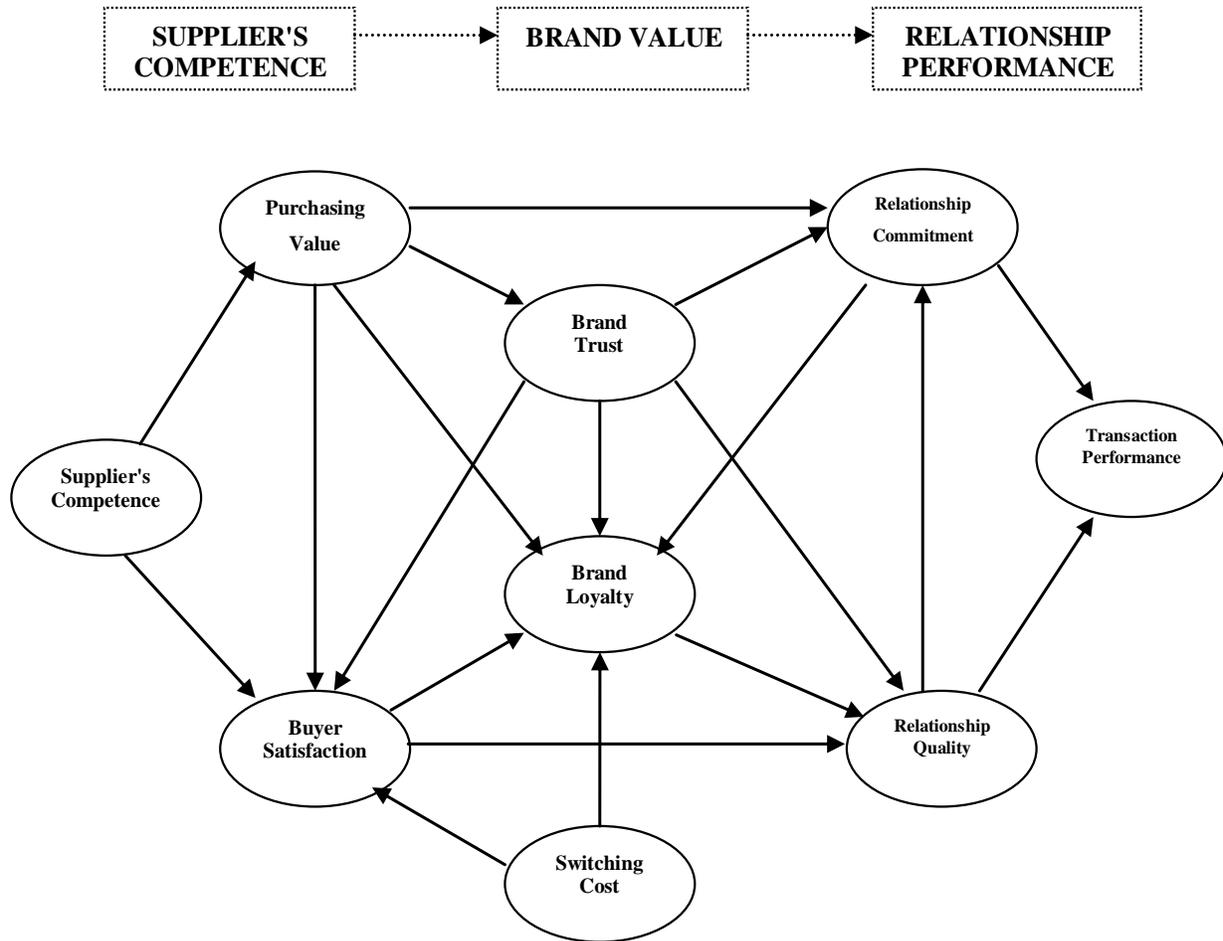


Figure 1. The conceptual model.

necessary to mention that simply creating a brand value is not enough. Marketers have to translate brand value into supplier-buyer relationship performance (Han and Sung, 2008). In today's world business, a separate and distinct evaluation of alternatives (brand value) must precede an understanding of supplier-buyer relationship performance (Doney and Cannon, 1997; Ganesan and Shanker, 1994; Kalwani and Narayandas, 1995). Therefore, marketers must create a brand value that is seen as positive by all stakeholders associated with the company (Han and Sung, 2008). This study aims to test a general construct model that describes the extent to which transactional performance in the market is influenced by supplier competence, purchasing value, buyer satisfaction, switching cost, brand trust, brand loyalty, relationship commitment and relationship quality. More generally, this study investigates the effect of brand values on business relationships between buyers and suppliers. Factor hypothesized to influence values in a brand include brand characteristics (supplier competence, purchasing value, buyer satisfaction, brand trust and loyalty), relationship commitment, relationship quality

and transactional performance. The research model, which is based on all theoretical implications shown in Figure 1, delineates the key factors that precede brand value, and relationship performance. The model components are defined as follows:

1. Supplier competence: a buyer's overall assessment, in terms of established standards, of the delivery process, product quality, price, technology, and supply management ability (Lerner and Almor, 2002).
2. Purchasing value: a buyer's overall appraisal of the net worth of a particular transaction, based on the buyer's assessment of what is received (benefits provided by the transaction) and given (costs of acquiring and utilizing the transaction) (Han and Sung, 2008).
3. Buyer satisfaction: a buyer's overall sense of pleasure, expectations and needs related to a transaction (Bennett et al., 2005; Bridson et al., 2008).
4. Brand trust: a confident, positive and reliable expectation regarding a particular supplier's brand (Elena and Jose, 2001; Lau and Lee, 2000).
5. Brand loyalty: the degree to which a buyer has

repeatedly purchased a particular supplier's brand during recent years, tempered by the significance of that expenditure in terms of the buyer's total outlay for that type of product (Auh and Johnson, 2005; Elena and Jose, 2001; Lau and Lee, 2000).

6. Switching cost: a buyer's estimate of the personal loss or sacrifice in time, effort and money associated with changing suppliers (Burnham et al., 2003; Jones et al., 2007).

7. Relationship commitment: an exchange partner's belief that an ongoing relationship with another partner warrants maximum efforts related to its maintenance (Cater and Zabkar, 2009; Delgado-Ballester et al., 2005; Stanko, Bonner and Calantone, 2007).

8. Relationship quality: the amount of information sharing, quality of communication (Ahearne et al., 2007; Cater and Zabkar, 2009), long-term relationship orientation (Sanchez-Franco, 2009; Sichtmann, 2007) and satisfaction associated with a relationship (Ahearne et al., 2007; Shamdasani and Balakrishnan, 2000).

9. Transaction performance: a buyer's perception of the economic and managerial performance of a specific transaction relative to past transactions with the same supplier, taking into account the current situation and likely circumstances (Han and Sung, 2008).

In commercial market, a competent supplier maintains the ability to solve the problems or meet the needs of a buyer. Ability refers to skills and characteristics that enable a party to have influence within a domain (Butler, 1991).

A buyer's perception of purchasing value can be positively influenced by supplier competence (Chang and Wildt, 1994). Many studies have established positive relationships between perceived supplier ability and perceived value. Studies show that, if other factors are held constant, an increase (decrease) in supplier competence will be accompanied by an increase (decrease) in perceived purchasing value (Han and Sung, 2008). Several studies have found that perceptions of supplier competence affect customer satisfaction following a purchase transaction (Erevelles and Leavitt, 1992). Accordingly, overall buyer satisfaction is often understood by market researchers to be a consequent variable of ability and other processes (Szymanski and Henard, 2001). Also, researchers demonstrate that service supplier's behaviors have an important role in create customer satisfaction and trust. Therefore, we propose hypothesis:

H₁: Supplier competence is positively related to perceived purchasing value.

H₂: Supplier competence has a positive effect on buyer satisfaction.

Some studies confirmed that a higher level of service quality was related to a higher level of customer

satisfaction (Yang et al., 2009). Also, researchers maintain that, the customer's perception of service quality was the main factor predicting customer satisfaction (Deng et al., 2009). Kuo et al (2009) stated that; 1) perceived value positively influences on both customer satisfaction and post-purchase intention; 2) customer satisfaction positively influences post-purchase intention. Furthermore, perceived value is understood to be a precursor of customer satisfaction and loyalty and is itself impacted by product quality. These linkages between quality, value, satisfaction and loyalty have been gaining increasing attention in the marketing field. Thus, generally, quality dimensions have an impact on perceived value, satisfaction and loyalty (Yoo et al., 2010). The research findings indicate that, a supplier or a manager to a large extent can influence the drivers of loyalty. Additionally, service quality was the decisive loyalty driver (Helgesen et al., 2010). The results showed that, green brand image, green satisfaction and green trust are positively related to green brand equity. Furthermore, the positive relationship between green brand image and green brand equity is partially mediated by green satisfaction and green trust. Hence, investing on resources to increase green brand image, green satisfaction, and green trust is helpful to enhance green brand equity (Chen, 2009). Brand loyalty and brand trust associations directly create brand equity for companies (Rios and Riquelme, 2008). Researchers demonstrate that, there is a relationship between brand attitude and brand equity (Chang and Liu, 2009), in addition, brand equity has strong impact on customer preference and purchase intentions (Chang and Liu, 2009; Florence et al., 2009), or, in other words, perceived value plays a pivotal role in promoting brand loyalty (Chiou et al., 2010; Yang and Wang, 2010). Then, the brand equity can be measured under four basic dimensions: perceived quality, brand loyalty, brand associations, and brand trust (Atilgan et al., 2009). Also, Cater and Cater (2010) state that, product quality (which is accompanied by purchasing value) directly positively influences commitment. That is:

H₃: Purchasing value has a positive effect on buyer satisfaction.

H₄: Purchasing value has a positive effect on brand loyalty.

H₅: Purchasing value has a positive effect on supplier-buyer commitment in the commercial market.

H₆: Purchasing value has a positive effect on brand trust.

Ganesan and Shanker (1994) have demonstrated that, the most satisfied buyers are those who accept long-term relationship view, that is, satisfaction, trust and commitment will evolve the longer relationship between a buyer and a supplier. A direct positive relationship between buyer satisfaction and brand trust is supported by a wide variety of product and service studies (Bolton,

1998). These studies establish that overall customer satisfaction with a transaction is strongly associated with the behavioral trust to return to the some service provider. However, it must be kept in mind that the direct positive relationship between satisfaction and brand trust is a simplification of the matter (Han and Sung, 2008). While buyer satisfaction is a major factor, it is only one of the many variables that can impact brand trust (Sharma and Patterson, 2000). The expectation of brand value is as a mediator on the brand satisfaction-brand trust path (Lee and Back, 2009). Indeed, the overall satisfaction and importance of a relationship build the foundation of any kind of loyalty, also, the reliability of products or trustworthiness of the vendor is most critical for behavioral loyalists (Kussik and Verblane, 2009). In this way, findings indicate that both customer satisfaction and perceived value are significant determinants of loyalty, and that, value has both a direct and indirect (through satisfaction) impact on customer loyalty to buying products (Lai, et al., 2009). On the other hand, some researchers state that customer satisfaction and loyalty have significant reciprocal effects on each other (Lam et al., 2008). Also, consumer participation and satisfaction have positive and significant effects on brand loyalty (Casalo et al., 2010; Lee and Back, 2009), with increases in satisfaction leading to increases in brand loyalty (Bennett et al., 2005; Bodet, 2008; Lau and Lee, 2000). Thus, we hypothesis that:

H₇: Buyer satisfaction has a positive effect on brand loyalty.

H₈: Buyer satisfaction has a positive effect on brand trust.

H₉: Buyer satisfaction has a positive effect on relationship quality.

In 1993, Gordon et al. (1993) studied the U.S. electrical circuit breaker market and showed that brand value was quite relevant in the business-to-business sector. When a customer places his or her loyalty in a brand, and shows a willingness to rely on that brand, that customer is also likely to establish positive relationship quality with the supplier. Therefore:

H₁₀: Brand loyalty has a positive effect on relationship quality.

Taylor et al. (2004) research findings indicate that, satisfaction, value, resistance to change, brand affect, trust and brand equity have the relative influences on perception of customer loyalty. The findings reveal positive relationships between brand equity, brand preference and purchase intentions with a moderation effect of switching cost affecting the relationship between brand equity and purchase intentions. More specifically, the effect of brand equity on purchase intentions is not significant for passengers with low switching costs (Chen and Chang, 2008).

Also, some researchers demonstrate that, switching costs did not play a significant moderating role in the satisfaction-loyalty relationship (Back and Lee, 2009), but, in contrast, switching cost effects on satisfaction as the primary driver of customer retention (Burnham et al., 2003). In other words, satisfaction and switching costs have the potential interaction effect on each other (Lam et al., 2008). Therefore:

H₁₁: Switching cost has a positive effect on buyer satisfaction.

H₁₂: Switching cost has a positive effect on brand loyalty.

According to the commitment-trust theory (Morgan and Hunt, 1994), trust is a key variable in the development of an enduring desire to maintain a long-term relationship with a brand. Also, based on some researchers' results, trust in a brand is directly and positively related to brand loyalty (Deng et al., 2009; Lau and Lee, 2000). Furthermore, Sanchez-Franco (2009) stated that customer trust had a strong effect on commitment for customers with high purchase involvement. Moreover, the influence of trust on commitment and of commitment on loyalty was significantly stronger for females than males, while the effects of satisfaction on commitment and of trust on loyalty were significantly stronger for males (Sanchez-Franco et al., 2009). Then:

H₁₃: Brand trust has a positive effect on relationship commitment.

H₁₄: Brand trust has a positive effect on brand loyalty.

H₁₅: Brand trust has a positive effect on relationship quality.

Researchers express that, key loyalty determinants are commitment, customer satisfaction, service fairness, service quality and trust (Han et al., 2008). Cater and Zabkar (2009) showed that, there is relationship between dimensions of commitment and loyalty, just as they showed trust, significantly influences commitment. Relationship commitment leads to increase interactions between supplier and customer (Laaksonen et al., 2008). We then hypothesize that:

H₁₆: Relationship commitment has a positive effect on brand loyalty.

H₁₇: Relationship commitment has a positive effect on transaction performance.

Relationship quality (before, during, and after transactions) can build or destroy relationships. Hence, it is crucial to develop a measure of relationship quality in a commercial context so that both researchers and practitioners might better understand and, consequently, handle relationships more efficiently. Moreover, because many academic and managerial resources are invested in better understanding relationships, it is essential to

develop ways of evaluating their quality before ultimately assessing their impact on other key variables, such as performance. In this study, relationship quality reflects the intensity of information sharing, communication quality, long-term orientation and satisfaction with the relationship between the supplier and buyer. It must be declared that, relationship quality has a positive effect on customer-supplier commitment (Han and Sung, 2008), and results imply that product quality and relationship quality also influence commitment and loyalty (Cater and Cater, 2010). Then:

H₁₈: Relationship quality has a direct positive effect on relationship commitment.

H₁₉: Relationship quality has a direct positive effect on transaction performance.

METHODS

Sample and procedure

The data used to test the research hypotheses were gathered in a two-page, mailed, faxed and interviewed, random sample survey of high and middle line buyer manager of Hybrid Corn Seed products from Arge Talaei International company of seven countries; Greece, Turkey, Kazakh, Kyrgyzstan, Iran, Iraq and Emirates. Iranian samples answered questions with interview, and buyers in other countries were asked to answer questions with use of mail and fax. Of the 247 questionnaires dispatched, 247 usable responses were received. The sample profile is shown in the Table 1. The research model contains nine factors. The Appendix lists the variable questions constituting each measurement factor. The indicators of each construct in the study were from a variety of sources. The research method employed in this study is based on casual correlation.

Measures

The questions were mainly answerable by seven-point likert scales, all measures are anchored: 1= "strongly disagree" to 7= "strongly agree", unless otherwise specified. To collect the required data, nine different type of questionnaires were used, such as; 1- supplier competence with six items, 2- purchasing value with six items, 3- buyer satisfaction with a four-item scale, 4- switching cost with a four-item scale, 5- brand trust with five items, 6- brand loyalty with a four-item scale, 7- relationship quality with fourteen items, 8- relationship commitment with a four-item scale, and 9- transaction performance with a eight-item scale, which all questionnaires were developed by Han and Sung (2008). In Iran, after translating the 9 questionnaires that were used from English to Persian and then from Persian to English, the results were compared with those of the original questionnaires, after making sure of the translation used in those questionnaires in Iran.

The relationship between brand value and relationship performance was then tested using structural equation modeling. It is essential to mention that, the SEM test indicated that the model fit could not be improved by existing switching cost variable. Then, this factor was removed from the model. The resulting goodness-of-fit statistics showed a RMR of 0.03, GFI and AGFI greater than 0.90. RMR and RMSEA were of an acceptable rang, being lower than 0.05. The SEM (structural equation modeling) normed fit index for the research model was 0.98, GFI was 0.98, RMR was 0.031, RMSEA was 0.061, AGFI was 0.93, and CFI was 0.99, indicating

that the model showed good agreement with the data. All the factor fit index to the indicator variables were highly significant, (except switching cost), which supports the overall factor structure of the model.

RESULTS

The intercorrelations among the key variables are presented in Table 2. The application of the model to respondent data found that the coefficient was not significant for all variables. In this study, in order to analyze data, and test all hypotheses, coefficient correlation, path analysis (structural equation model), and Sobel T test was used. Also, all analyses were done by the use of SPSS 18 and LISREL 8.5. Results from Table 3 reveal that, all, except six path parameter between the factors, were significant at $\alpha = 0.05$. However, the links between buyer satisfaction and brand loyalty, buyer satisfaction and relationship quality, brand loyalty and relationship quality, brand trust and relationship quality, brand trust and brand loyalty, commitment and brand loyalty were not significant. Also, by omitting switching cost, the path between switching cost and buyer satisfaction and brand loyalty were removed from the model (Figures 2 and 3).

Results demonstrated that supplier competence was positively related to purchasing value ($\beta = 0.37$, $T = 5.86$) and that supplier competence had a positive effect on buyer satisfaction ($\beta = 0.20$, $T = 3.42$). Thus, H₁ and H₂ were supported. Research findings showed that purchasing value had positive effects on buyer satisfaction ($\beta = 0.46$, $T = 6.02$), brand loyalty ($\beta = 0.28$, $T = 6.00$), relationship commitment ($\beta = 0.16$, $T = 3.44$), and brand trust ($\beta = 0.22$, $T = 3.40$). These results provide support for H₃, H₄, H₅ and H₆ (Table 3). As the results revealed that buyer satisfaction had a positive effect on brand trust ($\beta = 0.21$, $T = 2.86$), therefore, H₈ was supported, but H₇ and H₉ and H₁₀ were not supported (Figure 2).

On the other hand, findings indicated that brand trust had a positive effect on relationship commitment ($\beta = 0.12$, $T = 2.45$). Then, H₁₃ was supported, but H₁₄ and H₁₅ were not supported. Furthermore, the results expressed that relationship commitment had a positive effect on transaction performance ($\beta = 0.70$, $T = 5.73$). These results provide support for H₁₇. At last, what is understood from research finding is that, relationship quality had direct positive effect on relationship commitment ($\beta = 0.14$, $T = 7.04$), also, it had positive effect on transaction performance ($\beta = 0.13$, $T = 2.86$). Thus, results stated that H₁₈ and H₁₉ were supported.

DISCUSSION

Recently, commercial companies have refocused on customer, rather than production and thus, the concept of

Table 1. Sample framework.

Country	Province	Companies number	Sample	Percent
Iran	Fars	7	63	87.9
	Tehran	5	58	
	Kerman	3	24	
	Kermanshah	3	21	
	Lorestan	2	18	
	Khuzestan	2	13	
	Ghazveen	1	10	
	Ardabil	1	10	
Greece		2	10	4.0
Turkey		1	6	2.4
Kazakh		1	4	1.6
Kyrgyzstan		1	3	1.2
Emirates		2	4	1.6
Iraq		1	3	1.2
		32	247	100.0

Table 2. Inter-construct correlation.

Variable	1	2	3	4	5	6	7	8	9
1-SC	1.00								
2-PV	0.535**	1.00							
3-BS	0.396**	0.603**	1.00						
4-RC	0.439**	0.560**	0.404**	1.00					
5-Sc	-0.193**	-0.214**	-0.186**	-0.217**	1.00				
6-BT	0.473**	0.600**	0.514**	0.533**	-0.110	1.00			
7-BL	0.443**	0.594**	0.445**	0.550**	-0.172**	0.557**	1.00		
8-RQ	0.483**	0.593**	0.472**	0.647**	-0.265**	0.587**	0.621**	1.00	
9-TP	0.361**	0.432**	0.284**	0.558**	-0.223**	0.291**	0.458**	0.502**	1.00

the brand is developing quite rapidly. This study attempted to fill gaps in the largely fragmented field of brand value research by offering an empirically verified general theory.

The purpose of this research was to present an integrated model for the measurement of brand value with relational performance based on researches from the commercial field. A comprehensive model consisting of brand value components is presented, and then, a research model based on prior studies of relationships among brand value components is proposed. This research proposed 19 hypotheses related to 9 latent variables, and the hypotheses were tested through structural equation modeling. The overall fit of the structural equation model (by removing switching cost) was shown to agree well with sample data.

These findings add to the limited and unclear research on inter-relationships between brand value perceptions, or show that these relate to overall supplier-buyer relationships.

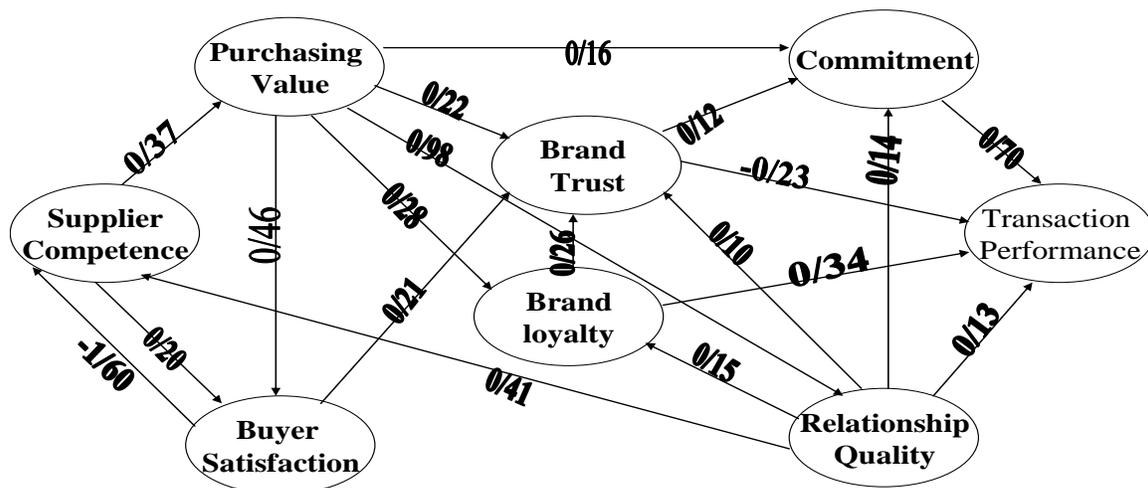
The results of this research analysis are as follow:

brand values were positively related with a number of brand characteristics and relationship commitment, relationship quality, and performance. This research proposed that brand value affect the business relationship between suppliers and buyers.

However, contrary to our predictions, the findings of the study indicated that relationship quality directly had positive effect on supplier competence, brand trust and loyalty. Also, the results revealed that, brand loyalty had direct positive effect on brand trust and transaction performance. This study supports the view that supplier competence and buyer satisfaction do not influence relationship performance (relationship quality, commitment and transaction performance) directly, but indirectly via purchasing value. Consistent with the work of Manrai (1995), and Strobcka et al. (1994), the study finds brand trust and loyalty to be an intervening variable between supplier ability (competence, purchasing value, buyer satisfaction) and relationship performance. This result is in contrast to studies that see the assessment of alternatives only as a moderator of the satisfaction-

Table 3. Path coefficients for the structural model.

Path	Estimate	S0.E0.	C.R.	P
Supplier's competence → Purchasing value	0.37	0.06	5.86	0.000
Supplier's competence → Buyer satisfaction	0.20	0.060	3.42	0.000
Purchasing value → Buyer satisfaction	0.46	0.076	6.0	0.000
Purchasing value → Brand trust	0.22	0.064	3.40	0.000
Purchasing value → Brand loyalty	0.28	0.046	6.00	0.000
Purchasing value → Relationship quality	0.98	0.140	6.87	0.000
Purchasing value → Relationship commitment	0.16	0.047	3.44	0.000
Buyer satisfaction → Supplier competence	-1.60	0.810	-1.97	0.000
Buyer satisfaction → Brand trust	0.21	0.072	2.86	0.000
Brand trust → Relationship commitment	0.12	0.049	2.45	0.000
Brand trust → Transaction performance	-0.23	0.096	-2.38	0.000
Brand loyalty → Brand trust	0.26	0.075	3.53	0.000
Brand loyalty → Transaction performance	0.34	0.120	2.92	0.000
Relationship quality → Supplier competence	0.41	0.110	3.66	0.000
Relationship quality → Brand trust	0.10	0.027	3.74	0.000
Relationship quality → Brand loyalty	0.15	0.020	7.15	0.000
Relationship quality → Relationship commitment	0.14	0.020	7.04	0.000
Relationship quality → Transaction performance	0.13	0.046	2.86	0.000
Relationship commitment → Transaction	0.70	0.120	5.73	0.000

**Figure 2.** Structural equation model.

performance relationship (Sharma and Patterson, 2000).

There were two unexpected results in the present study, that is, brand trust had a reversed effect on transaction performance as the relationship between buyer satisfaction and supplier competence was reverse. We believe that these unexpected findings may have been cultural differences between the samples, especially the Iranian buyer samples.

Overall, the study also found that purchasing value perceptions influence buyer satisfaction, brand trust and loyalty, relationship quality and commitment. It is

essential to mention that, because of a very different proportion of sample in countries or due to a few buyers of Arge Talaei brand outside of Iran, we must be careful in generalizing the results.

THEORETICAL AND PRACTICAL IMPLICATIONS

Possible implications of the study findings for the operation and management of business companies and organizations are also discussed. This study suggests

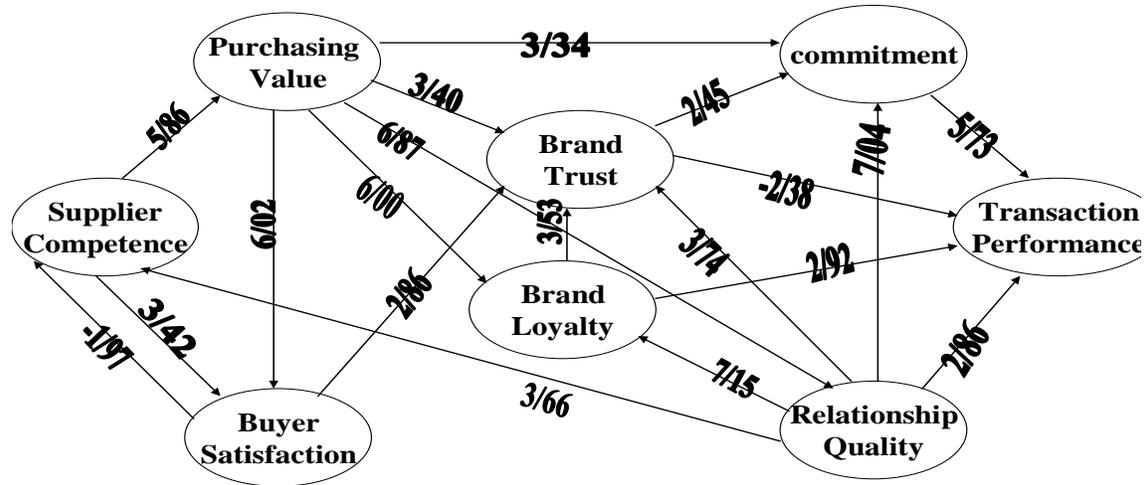


Figure 3. Structural equation model.

that, in general, supplier competence, purchasing value, and buyer satisfaction may have a greater direct or indirect effect on brand trust and loyalty. There is a critical role for management to determine the items and the weighting of the items that buyers perceive as value. This study finds that for most respondents, the direct or indirect effect of supplier competence on purchasing value and buyer satisfaction is strong. Similarly, brand value factors appeared to strongly affect supplier-buyer relationship performance of experienced respondents in the business market. This offer that brand managers would be wise to determine the presence of these considerable brand value factors that may negatively impact supplier-buyer relationship performance, as well as take such factors into account in offering a value package to buyers.

The study indicates the relative importance of buyer-supplier relationship quality for the business market. The study suggests that management can focus on supplier-buyer relationship quality and purchasing value to ensure current brand trust, brand loyalty and supplier-buyer relationship commitment. Relationship quality impacted transaction performance directly and/or indirectly via the perception of buyer-supplier commitment. The implication is that a customer's assessment of relationship quality and commitment standards for transactions is an important contributor to the buyer's perception of transactional performance. Management should be aware that the strength of perceptions of customer relationships may vary with supplier competence, purchasing value, and satisfaction, and as a buyer becomes more experienced with the supplier.

In summary, this study proposes that business companies and organizations need to orientate their transactional relationship strategies toward brand value. The implication is that when programs are being developed to attract potential long-term customers,

management needs to identify exactly what customers do value and how to continuously create net worth for them. To retain customers, management strategies also need to concentrate, and improve on the brand value of customers in the business market.

FUTURE RESEARCH

This study tried to analyze the meaning and effects of brand in the relationship-based markets. This study suggests a need for further research and survey into a number of areas. Analysis of a broad range of markets using another cross-sectional and longitudinal data is needed to test the extent to which the structural equation modeling employed for this research applicable to other markets. Because of the characteristics of markets, customer-supplier long-term relationships is the most underlying factor of the successful business transactions and it is not easy to evaluate the product brand only without company name and pay attention to the culture of market's buyers.

Further research is required to extend structural equation modeling to provide a much richer description of the satisfaction-brand trust-transactional performance relationship for different types of markets. Further research should test the effect of switching cost on brand loyalty and buyer satisfaction. This needs to be undertaken in a variety of transactional situations, by considering buyer's culture.

The research of Zahorik and Rust (1992) and McGahan and Ghemawat (1994) show that increase in long-term relationship rates can have a significant positive effect on market share. Furthermore, studies by Hallowell (1996) demonstrate that an increase in long-term relationship orientation can have positive effect on a company's net operating cash flow and profit. It should be noted that to

enable the development of a comprehensive theory of brand management, further research is required to determine the effect of studies of brand value and relationship performance in the market.

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APPENDIX A

Scale items of research constructs

Supplier competence

- (1) The supplier tells me exactly when products and services will be performed
- (2) The supplier gives us prompt and correct delivery
- (3) The supplier gives us high qualitative products
- (4) The supplier invests time and energy in their research and development (R and D)
- (5) The supplier's supply management ability is very excellent
- (6) The supplier understands our specific needs

Purchasing value

- (1) The premium cost for the supplier's product and service is high, compared to other industrial companies
- (2) The flexibility of the supplier's product and service is sufficient to meet our needs
- (3) The supplier's transaction policy provides additional benefits and assistance OR our transaction fund provides us with a high investment return
- (4) We can readily understand the exclusions in the transaction policy document OR we can readily understand the transaction policy document
- (5) We regard the policy premium as acceptable OR we regard the supplier's charges as acceptable
- (6) We consider [supplier name] product and service to be a good buy OR we consider the transaction to be a good investment

Buyer satisfaction

- (1) Our decision to purchase a product and service from the supplier was a wise one
- (2) We feel good about our decision to purchase the supplier's product and service
- (3) We are pleased that we purchased product and service from the supplier
- (4) We would positively recommend the supplier's product and service to other people

Switching cost

- (1) Level of costs we feel would be incurred in switching to another supplier
- (2) Amount of inconvenience we feel would be incurred in arranging to switch to another supplier
- (3) Amount of time we feel would be involved in arranging to switch to another supplier
- (4) Likelihood that we will lose money if we switch to another supplier

Brand trust

- (1) We trust this supplier brand
- (2) This industrial brand cannot be counted on to do its job
- (3) We feel that we can trust this brand completely
- (4) We can rely on this industrial brand
- (5) We feel secure when we buy this brand because we know that it will not let us down

Brand loyalty

- (1) We intend to keep buying this brand
- (2) If another brand is having a sale, we will generally not buy the other brand instead of this one
- (3) If someone makes a negative comment about this brand, we would defend it
- (4) We would recommend this brand to someone who cannot decide which brand to buy in this product class

Relationship quality

- (1) This supplier frequently discussed strategic issues with us.

- (2) This supplier openly shared confidential information with us.
- (3) This supplier rarely talked with us about its business strategy.
- (4) The parties involved had continuous interaction during implementation of the strategy.
- (5) The strategy's objectives and goals were clearly communicated to involved and concerned parties.
- (6) Team members openly communicated while implementing the strategy.
- (7) There was extensive formal and informal communication during implementation.
- (8) We believe that over the long run, our relationship with the supplier will be profitable.
- (9) Maintaining a long-term relationship with this supplier is important to us.
- (10) We focus on long-term goals in this relationship.
- (11) We are willing to make sacrifices to help this supplier from time to time.
- (12) Our association with this supplier has been a highly successful one.
- (13) This supplier leaves a lot to be desired from an overall performance standpoint.
- (14) Overall, the results of our relationship with the supplier fell far short of our expectations.

Commitment

- (1) We maintain commitment in maintaining relationship with this supplier.
- (2) Our relationship with this supplier is important
- (3) We plan to maintain relationship with this supplier
- (4) Intention to continue transaction in the industrial market.

Transaction performance

- (1) Our negotiation cost, information searching cost, and internal work processing cost has been reduced due to the transaction with this supplier
- (2) The cost to maintain our orders and inventory has been reduced due to transactions with this supplier
- (3) Our product price has been reduced due to transactions with this supplier
- (4) Transactions with this supplier have contributed to our sales growth
- (5) Our total sales would be reduced without transactions with this supplier
- (6) Our total profit would be reduced without transactions with this supplier
- (7) This supplier maintains the ability to manage the transaction delivery time
- (8) Our product quality has increased due to transactions with this supplier

All measures are anchored: 1=strongly disagree, 7=strongly agree, unless otherwise specified.